

Document Number/Suffix. This continues each month during labor distribution until the department closes the document or the OC Table Error Severity Indicator code **F** (Fund Related, position 1, 2, and 3 or 4) disallows posting because no funds are available in the document. The transaction then posts to the Error Suspense File where it may be adjusted by changing TC 378 to TC 242 or TC 372.

**EXCEPTION:** Departments with Federal grants may need to encumber accruals in lieu of preparing the A-8 entry for Federal expenditures. If accruals are encumbered, they will not show as expenditures on CALSTARS reports used for the monthly Plan of Financial Adjustment (PFA). This will help ensure that expenditures are not overstated when completing the PFA for a Federal drawdown. Use Document Number/Suffix **A8nnnnnnn-nn** for these encumbrances. The encumbrances are shown as GL 3010 in the Pre-closing and Post-closing Trial Balances on the G02 Report. In order to reflect the correct general ledger liability accounts in CALSTARS (i.e., GLs 3110, 3210, 3220, or 3290), the encumbrances must be reclassified to the correct account using TC 517 or TC 519. Refer to the *Reclassify Encumbrances Reported As Accounts Payable* section in Chapter III for further instructions. **Do not** report these encumbrance accruals in the "Encumbrance" column on the Report of Accruals to Controller's Accounts, Report 1, Form 571A, B, C, or D.

**NOTE:** The H11 Report for FM 13 reflects accrued expenditures, including Capital Outlay and equipment purchases, at the time the accruals are posted, not when actual payment is made. This may impact the reconciliation of property records.

Exhibit II-7 displays the transaction codes used to establish, liquidate and adjust accounts payable documents. These entries are made only if the goods or services were received by June 30. The Debit GL for each of the TCs in the "Set Up TC" column is GL 9000-Expenditures. The Credit GL is shown in the "General Ledger Liability Account" column.

When setting up accounts payables for previously encumbered documents, use of the **F** (Final Payment) Modifier code will liquidate the entire balance (plus or minus) in the Document File. Accounts payable documents must be liquidated/adjusted for the exact amount. Differences should be adjusted to zero as soon as possible and the document should be closed (Modifier=**C**) to preclude further Document File posting.

A-8 adjusting entries are **NOT** reversed in the new year, except for entries for estimated accruals.

EXHIBIT II-7  
A-8 ENTRY TRANSACTION CODES

Vendor Description	Vendor Type	General Ledger Liability Account	Account Title	Previous Status	Transaction Codes						
					Set Up	Payment			Adjustments		
						Auto	Manual	SCO Pay	Increase	Decrease Payable Balance	Correct Overpayment of Accrual
Corporation (includes Non-profit Foundation) Individual/Sole Proprietor Partnership Estate or Trust Employee	<b>C I P E 1</b>	3010	Accounts Payable	Previously Encumbered	214 <sup>1/</sup>	233	246	248	215	205	498
				<b>Not</b> Previously Encumbered	215	233	246	248	215	205	498
Federal Agency	<b>2</b>	3210	Due to Federal Gov't	Previously Encumbered	208 <sup>1/</sup>	268	284	263	283	201	283
				<b>Not</b> Previously Encumbered	283	268	284	263	283	201	283
CA State Departments (includes CSU & CSU Trustees)	<b>3</b>	3110	Due to Other Funds	Previously Encumbered	209 <sup>1/</sup>	261	203	262	285	204	285
				<b>Not</b> Previously Encumbered	285	261	203	262	285	204	285
Local Government Agencies (Includes Cities and Counties)	<b>4</b>	3220	Due to Local Gov'ts	Previously Encumbered	208 <sup>1/</sup>	268	284	263	283	201	283
				<b>Not</b> Previously Encumbered	283	268	284	263	283	201	283
Other Governmental Agencies (Includes School Districts, Community Colleges, Regents/UC's and Other State Govts)	<b>5</b>	3290	Due to Other Gov'ts	Previously Encumbered	208 <sup>1/</sup>	268	284	263	283	201	283
				<b>Not</b> Previously Encumbered	283	268	284	263	283	201	283

<sup>1/</sup>Do not include these transactions in auto reverse batches